

**Prepared for the registrar
Prince Evans Solicitors LLP
Annual Report and Unaudited Financial Statements
for the Year Ended 31 May 2022**

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

PRINCE EVANS SOLICITORS LLP

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PRINCE EVANS SOLICITORS LLP

Limited liability partnership information

Designated members	L K Davis A R Best G M Smith I F Barry
Members	B M Davies J C Ferguson (appointed 1 June 2022) P N O'Meara (appointed 1 June 2022)
Registered office	Craven House 40-44 Uxbridge Road London W5 2BS
Bankers	Barclays Bank plc 53 The Broadway Ealing London W5 5JS
Accountants	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

PRINCE EVANS SOLICITORS LLP**(Registration number: OC364187)****Balance Sheet as at 31 May 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	<u>4</u>	33,675	63,737
Current assets			
Debtors	<u>5</u>	1,819,449	1,696,625
Cash and short-term deposits		<u>1,106,593</u>	<u>1,928,483</u>
		2,926,042	3,625,108
Creditors: Amounts falling due within one year	<u>6</u>	<u>(703,747)</u>	<u>(670,190)</u>
Net current assets		<u>2,222,295</u>	<u>2,954,918</u>
Total assets less current liabilities		2,255,970	3,018,655
Creditors: Amounts falling due after more than one year	<u>7</u>	(705,236)	(988,838)
Provisions for liabilities		<u>(152,301)</u>	<u>(119,465)</u>
Net assets attributable to members		<u>1,398,433</u>	<u>1,910,352</u>
Represented by:			
Loans and other debts due to members			
Other amounts		<u>1,398,433</u>	<u>1,910,352</u>
		<u>1,398,433</u>	<u>1,910,352</u>
Total members' interests			
Loans and other debts due to members		<u>1,398,433</u>	<u>1,910,352</u>
		<u>1,398,433</u>	<u>1,910,352</u>

For the year ending 31 May 2022 the LLP was entitled to exemption from audit under section 477 of the Companies Act 2006, as applied to LLPs, relating to small entities.

These financial statements have been prepared in accordance with the special provisions relating to LLPs subject to the small LLPs regime within Part 15 of the Companies Act 2006, as applied to LLPs.

These financial statements have been delivered in accordance with the provisions applicable to LLPs subject to the small LLPs regime, as applied to LLPs, and the option not to file the Profit and Loss Account has been taken.

The members acknowledge their responsibilities for complying with the requirements of the Companies Act 2006, as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 with respect to accounting records and the preparation of accounts.

The financial statements of Prince Evans Solicitors LLP (registered number OC364187) were approved by the members and authorised for issue on 28 February 2023. They were signed on behalf of the LLP by:

.....
L K Davis
Designated member

The notes on pages 3 to 8 form an integral part of these financial statements.

PRINCE EVANS SOLICITORS LLP

Notes to the Financial Statements for the Year Ended 31 May 2022

1 General information

The place of registration of the LLP is England and Wales under the Limited Liability Partnership Act 2000.

The address of the registered office is:

Craven House
40-44 Uxbridge Road
London
W5 2BS

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of Prince Evans Solicitors LLP is considered to be pounds sterling, being the functional currency of the primary economic environment in which the LLP operates. Monetary amounts in these financial statements are rounded to the nearest pound.

Judgements

In the application of the LLP's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

Bad debt provision - Due to the nature of the business, there are high levels of trade debtors at the year end, and therefore a risk that some of these balances may be irrecoverable. A review is carried out using a long standing and consistent procedure where debts are provided against when the recoverability is considered to be uncertain. The carrying amount is £1,099,643 (2021 - £1,184,998).

Amounts recoverable on contracts - The process of assessing amounts recoverable on contracts requires various estimates and judgements to be made, which are consistent year on year. Fee earners record time spent on client assignments and this is used as the basis for the amounts recoverable on contracts estimate. The carrying amount is £763,706 (2021 - £941,129).

Provision for client claims - The provision is based on a review of potential claims and an assessment of any potential settlements that are considered likely as a result of these. The carrying amount is £152,301 (2021 - £119,465).

PRINCE EVANS SOLICITORS LLP

Notes to the Financial Statements for the Year Ended 31 May 2022 (continued)

2 Accounting policies (continued)

Revenue recognition

Fee income represents the fair value of services provided during the year on client assignments. Fair value reflects the amounts expected to be recoverable from clients based on time spent, skills provided and expenses incurred, and excludes VAT. Income is recognised as contract activity progresses and the right to consideration is secured, except where the final outcome cannot be assessed with reasonable certainty.

Fee income in respect of contingent fee assignments is recognised in the period when the contingent event occurs and collectability of the fee is assured.

Unbilled fee income on individual client assignments is included as amounts recoverable on contracts within debtors.

Members' remuneration and division of profits

The profits of the LLP are automatically divided among the members in accordance with the agreed profit share arrangements. A member's share of the profit or loss for the year is accounted for as an allocation of profits.

Taxation

The taxation payable on the LLP's profits is the personal liability of the members, although payment of such liabilities is administered by the LLP on behalf of its members. Consequently, LLP taxation is not accounted for in these financial statements.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Computer Equipment	Three years straight line basis
Fixtures and fittings	15% of net book value
Leasehold improvements	Over the term of the lease

Trade debtors

Trade debtors are amounts due from clients for services performed in the ordinary course of business.

Trade debtors are recognised at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the LLP does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

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Notes to the Financial Statements for the Year Ended 31 May 2022 (continued)

2 Accounting policies (continued)

Borrowings

Interest-bearing borrowings are initially recorded at the capital repayable amount, net of transaction costs.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the LLP has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the LLP has an obligation at the reporting date as a result of a past event, it is probable that the LLP will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Hire purchase and leasing

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Profit and Loss Account on a straight line basis over the lease term.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the LLP after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the LLP is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and Measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

2 Accounting policies (continued)

Impairment of financial assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3 Particulars of employees

The average number of persons employed by the LLP during the year was 46 (2021 - 42).

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Notes to the Financial Statements for the Year Ended 31 May 2022 (continued)

4 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 June 2021	39,910	318,514	109,106	467,530
Additions	-	5,177	-	5,177
Disposals	-	(20,960)	(1,263)	(22,223)
At 31 May 2022	39,910	302,731	107,843	450,484
Depreciation				
At 1 June 2021	39,910	273,876	90,007	403,793
Charge for the year	-	31,926	2,865	34,791
Eliminated on disposals	-	(20,534)	(1,241)	(21,775)
At 31 May 2022	39,910	285,268	91,631	416,809
Net book value				
At 31 May 2022	-	17,463	16,212	33,675
At 31 May 2021	-	44,638	19,099	63,737

5 Debtors

	2022 £	2021 £
Trade debtors	814,459	573,776
Amounts recoverable on contracts	763,706	941,219
Other debtors	20,627	7,947
Prepayments and accrued income	220,657	173,683
	<u>1,819,449</u>	<u>1,696,625</u>

6 Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans and overdrafts	282,922	281,695
Trade creditors	113,904	112,530
Other creditors	10,831	10,891
Accruals and deferred income	132,034	131,344
Taxation and social security	164,056	133,730
	<u>703,747</u>	<u>670,190</u>

PRINCE EVANS SOLICITORS LLP

Notes to the Financial Statements for the Year Ended 31 May 2022 (continued)

6 Creditors: Amounts falling due within one year (continued)

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the LLP:

	2022 £	2021 £
Bank Loans	220,000	220,000

7 Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	705,236	988,838

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the LLP:

	2022 £	2021 £
Bank Loans	660,000	880,000

8 Provisions

	Client claims provision £
At 1 June 2021	119,465
Increase in existing provisions	32,836
At 31 May 2022	152,301

9 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £110,159 (2021 - £158,684).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.